

**Heber City Corporation
City Council Meeting
October 17, 2013**

6:00 p.m.

WORK MEETING

The Council of Heber City, Wasatch County, Utah, met in **Work Meeting** on October 17, 2013, in the City Council Chambers at 75 North Main Street, Heber City, Utah.

Present:

Mayor
Council Members

David R. Phillips
Robert Patterson
Alan McDonald
Jeffery Bradshaw
Erik Rowland

Excused:

Council Member

Benny Mergist

Also Present:

City Manager
City Recorder
City Engineer
Planning Director
Chief of Police

Mark K. Anderson
Michelle Kellogg
Bart Mumford
Anthony Kohler
David Booth

Others Present: Rod Hopkins

Mayor Phillips opened the meeting and excused Council Member Mergist.

Review Proposed Changes for the Heber City Purchasing Policy: Anderson indicated that a few months ago the Council had discussed allowing local contractors to match other bids, and he felt this item would be best suited as an addition to the purchasing policy. He felt the policy should be updated, and so he looked at other cities' purchasing policies as comparisons to Heber's policy. He stated this draft resembled the Spanish Fork purchasing policy, but with some changes. Anderson noted the draft gave more authority to staff, and asked the Council for feedback. It was indicated that not all of the Council members had reviewed the draft due to email problems. Anderson noted that in the current policy, he had the authority to authorize change orders up to \$10,000, but he was required to report it back to the Council. The new policy would give Anderson the authority to authorize change orders up to \$10,000 or 10% of the contract. Also, if a bid came in under the budgeted amount, it wouldn't need Council approval. Mayor Phillips thought there should be checks and balances in the purchasing policy and right now the council was that check. If the Council didn't have a say on the budget amount, and then had no say on the project bid, it wouldn't have any say with regard to the smaller finance issues.

Anderson also commented that the proposed policy gave latitude to staff on declaring items surplus. He stated the purchasing policies from other cities were incorporated into their municipal codes, so he felt the City's final policy should be codified. Regarding the local bidder

preference, the Council determined the bid would need to be matched within two business days. This item was to be moved to the next regular meeting agenda.

Discuss Public Hearing Regarding Community Impact Board (CIB) Application: Anderson recommended that the hearing be held at the November 7th Council meeting. He wanted to report the outcome of the hearing to the CIB. CIB would take into account the discussion in the public hearing because it was not interested in funding projects that were a source of contention in a community. Anderson wanted to discuss the public hearing presentation at some point before the public hearing in order to make sure there was unity in the Council supporting this public safety building project. It was discussed that \$1 million of existing City reserves would be contributed to this project.

Council Member Rowland asked if there would be a need for a higher than projected property tax increase if the water bond was not funded. Anderson stated that had the bond not been funded, the ability of the City to make the \$1 million contribution toward the public safety building project would be reduced.

It was discussed that a market interest rate for this same loan would cost the City \$4.5 million more in interest than the CIB loan. Anderson noted that the application suggested CIB didn't like to loan more than \$5 million. The City had requested \$6.7 million, so he hoped CIB would make an exception. Council Member McDonald asked if the property taxes could be lowered after the bond was paid off. Anderson stated he would ask Brian Baker from Zions Bank Public Finance if there was a way to structure the tax increase in such a way that when the project was paid off the taxes would be lowered. Anderson stated he would not recommend using operating money to pay for the loan. He also noted that staff was in favor of the tax increase option that would cover 100% of the debt service.

Council Member McDonald was in favor of having the \$1 million down payment so less money would have to be borrowed. Mayor Phillips stated with a public hearing, the Council would explain the plan for the City concerning the public safety block. Council Member Rowland asked if the City was prepared to educate the public. He wanted to outline where the money would come from and all the funding options. Anderson stated the best thing for the City would be if the CIB funding came through because it would save \$4.5 million. Mayor Phillips indicated the need was there and this project shouldn't be delayed any longer.

Council Member Rowland asserted a reasonable increase should be shown that would indicate the tax increase would be no more than necessary to construct the building. Council Member McDonald suggested showing the public that the City had looked at all the options, both feasible and non-feasible. Then the public would be aware that the City looked at all other options before considering a property tax increase. Mayor Phillips asked Anderson to research the amount of a tax increase if the total project was bonded versus the amount of the tax increase if the City contributed the \$1million down payment to the project.

The Council was in favor of reviewing the public hearing presentation during the work meeting on November 7th, at 4:30 p.m.

Review Draft List of Capital Improvement Projects for the Heber City Consolidated Plan:

Council Member Rowland asked about the proposed project on the Airport Industrial Park property. Anderson stated he and Ryan Starks with Heber Valley Tourism and Economic

Development were discussing getting this development going, and were looking at partnering with a private entity to build the infrastructure and some buildings. In looking at Ogden, there was a company that built a building at the industrial park, and the profit was split with the City. In Burley, Idaho, buildings were built on the city property, and 10% of the rents went back to the city. Anderson stated he would ask Starks to come to the next Council meeting to discuss this further. Council Member McDonald wanted to make sure the appropriate zoning was in place before any agreements were made. Anderson said the City would ask for some master agreements. The Council was in favor of holding a public hearing on the current list of projects. The Airport Industrial Park item was moved to the next work meeting agenda.

Review Proposed Corridor Preservation Project Map and Discuss Projects that the City May Seek Funding For:

Council Member McDonald noted that part of the corridor was currently being acquired. Anderson stated the County Manager said Midway was not given corridor funds because there were no property owners willing to sell their parcels. The Council wanted to proceed with the 650 South street widening project. Anderson reviewed the City would need to make application to the County for use of the funds. It was decided to make an application to purchase property along 650 South, and also include the 1200 West parcel from the same property owner in that purchase.

Council Member Patterson asked if the 600 South project was on this year's project agenda. Mumford stated the City was applying for funding for that project and it would not happen this year.

Council Member Rowland wanted the Council to meet with the Planning Commission. It was decided that the two groups would meet November 14th prior to the Planning Commission meeting.

Anderson indicated the City Christmas Party was scheduled for December 6th, at 6:00 p.m.

Anderson brought forward one more item for discussion. He stated Beehive Storage was going to expand. When J.B. Gordon Construction expanded Industrial Parkway, they also installed fire hydrants for Beehive Storage and hooked them up to the City system. Now, Beehive Storage planned on further extending that line. Anderson felt they needed City consent. The Council agreed.

With no further business, the meeting was adjourned.

Michelle Kellogg, City Recorder